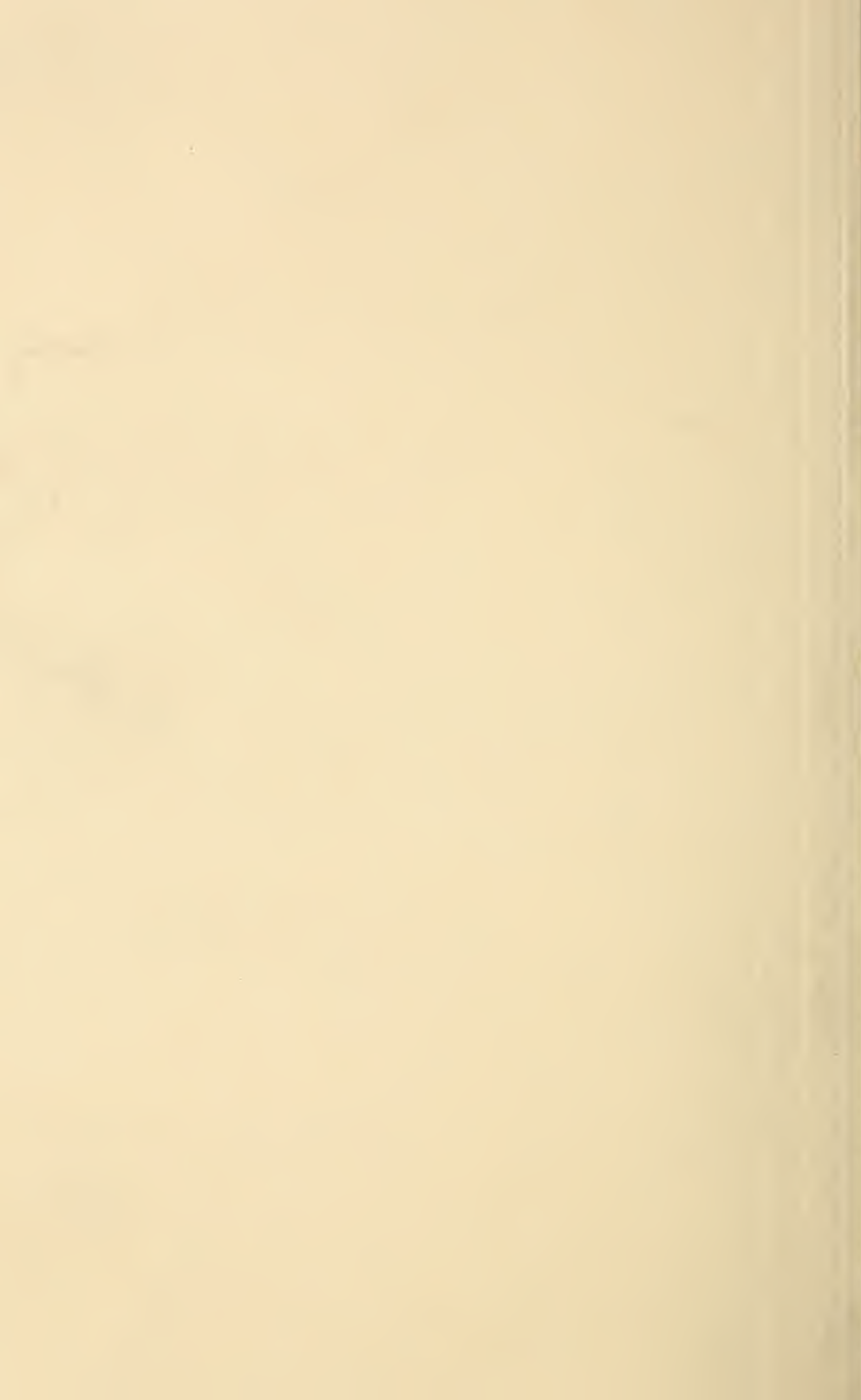


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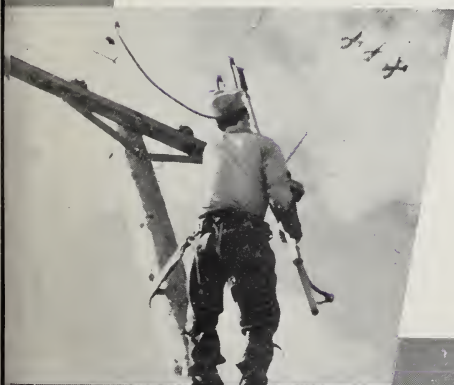
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*Plane spotter
(See page 7)*





A Message from the **ADMINISTRATOR**

We have reported several times on the amount of loans we have approved. At this time I would like to discuss another side of our loan work—that is, the size of the backlog and status of the applications on file. Here are the facts as of last June 30.

REA had on hand 157 electric loan applications totaling \$117,579,000, the lowest since 1947. One year before, the backlog was \$192,951,000.

Several factors accounted for this \$75,000,000 cut in the backlog. Loan approvals in 1954 exceeded loan applications by more than \$11 million. Borrowers abandoned or withdrew 25 applications totaling \$23,343,100. Area offices had to return 33 applications, totaling \$38,195,550, to borrowers for further information.

The backlog of telephone loan applications on June 30, was only \$78,000,000. This was 30 percent below the total of \$113,000,000 pending a year earlier. We have 275 applications on hand either being acted upon or awaiting action shortly.

It is our objective to meet the needs of our electric and telephone borrowers and we believe this record shows that we are more than keeping pace with those needs. The outlook is even better for the future.

Administrator.

Group Approach to Budgeting

Arkansas Borrowers Pool Experience to Make Plans for the Years Ahead

Arkansas electric borrowers have made long-range budget planning into a state-wide project.

They have done this through a series of meetings at which the rural electric systems projected their operations through 1958. During the sessions, representatives of the individual borrowers talked over their mutual problems, analyzed past mistakes, swapped experiences and ideas, and outlined future needs. Then, on the basis of this pooled knowledge, each co-op set its goals, worked out its budget for the year ahead and charted its course for 5 years ahead.

Now they are following through on their long-range plans. It is still too early to measure end results. But they feel they are already beginning to reap tangible benefits from their look-ahead policy of budget planning.

The meetings were spearheaded by the Arkansas State Electric Cooperative, under direction of a management advisory committee. Because Arkansas is so diversified in its geography and agriculture, the meetings were held on a group basis. This enabled systems with similar operating conditions and problems to work together. For example, Delta area groups discussed rice-well pumps and big tenant plantations during the Newport meetings. The Ozark Mountain group put more emphasis on poultry raising and dairying at the Fayetteville sessions. The third group, meeting at Camden,

was primarily interested in the small cotton farmer.

The size of the sectional meetings encouraged a free exchange of ideas. With only 6 co-ops meeting in a group, everyone had a better chance to speak than if all 18 Arkansas borrowers had been meeting together.

Ground work for the long-range planning meetings was carefully laid. About a month in advance of the sessions, detailed forms were mailed to the co-ops for assembling the basic data they would need to analyze their past 5 years' operations and to plan 5 years ahead.

Data for Quick Reference

Most of the data requested in the forms were available from operating reports in the borrower's files. The purpose of the new work sheets was to provide a form for assembling and organizing these facts for quick reference, comparison and analysis during the budget workshop and planning meetings. The new worksheets were similar to standard budget forms widely used by REA borrowers but modified to fit the particular needs and problems of Arkansas co-ops.

One of the worksheets provided for a breakdown, by year and item, of co-op revenues from the various classes of consumers during the preceding 5 years. It also provided spaces for projecting estimated revenues for 5 years ahead.

Another form gave a detailed picture of where the co-op's money goes—the past record and future prospects with due allowance for fixed costs and expected operating expenses.

When estimated revenues for 5 years ahead are measured against the costs of doing business 1 to 5 years in the future, the co-op has a clearer picture of how well it's doing—and what direction it's moving.

Shows Financial Trend

A quick look ahead may show a rural electric system that it must boost revenues or pare down on operating costs to stay in the black.

Such a discovery may come as a shock. If it shocks the borrower into taking remedial action, well and good. Then the borrower will be prepared for the time when the maximum interest and principal payment schedule on its REA loan goes into effect.

Another borrower may find that some of its operations are paying off even better than expected. When that happens, the system will be encouraged to study and adopt ideas and methods that have paid off.

This briefly is the idea on which the Arkansas long-range budget planning meetings were based. Co-ops were asked to do the preliminary "home work" on the budget worksheets before the meetings started. This meant that discussions and final budget plans would be based on a maximum of factual information and a minimum of guesses. Co-op bookkeepers did this spade work.

Directors were invited to come to the budget planning sessions along with the managers and bookkeepers. Some did. Their presence was hailed as greatly increasing the significance of the meetings. They not only brought the member-director viewpoint to the sessions but also had an opportunity to compare the operations of their own rural electric system with that of others in the state.

Budget planning experts from REA were on hand to assist. But it was strictly the borrowers' show. The meetings were conducted by and for the co-ops.

After hearing that the average Arkansas borrower must increase its revenue from each member by \$20

Representatives of a group of Arkansas rural electric systems are hard at work on long-range budget planning.



net annually before 1959 to stay in the black, the co-ops got down to cases. Each system measured its revenue prospects against the period of its highest debt amortization requirements—and compared its situation with that of the others.

Some comparisons were very striking. For instance, the wide variation in monthly billing costs aroused particular interest. Naturally those that spend 37 or 38 cents per consumer for billing and collecting wanted to know how one system did the job for 15 cents.

Another comparison that stimulated widespread interest was the percentage of system kwh loss reported by the different borrowers. The system with a 24% loss was properly concerned about bringing its losses more in line with the average.

High system loss resulting from transformers left on the lines after disconnects was one of the points brought up in the discussion of this problem. Several borrowers there announced that they would adopt a policy of removing transformers whenever they made out disconnect orders.

These are only two examples of profitable exchange of information at recent sessions.

In addition to reviewing past operations and looking ahead for 5 years, the co-op representatives worked out in detail a proposed budget for the coming year. This annual budget was set up on a monthly basis and divided into quarters.

When all the blanks in the operating budget had been filled in with regard to the past record, present prospects and future needs, each manager had a clear-cut plan ready to present to his board of directors. The picture varied widely from co-op to co-op and from month to month.

In the case of a co-op with heavy rice-well pumping loads, the first item on Operating Revenues and Patronage Capital showed considerable variation over the year. For the first quarter it was below the annual average and considerably lower than in the second quarter after irrigation started. Items on wholesale power costs showed a corresponding fluctuation but some items would go on at about the same rate throughout the year.

Such an analysis could well point to the desirability of putting on a drive for more cotton gins, house heating units or poultry brooders on the lines. That would step up power use during months when the rice-well load was down.

Managers Like Results

Manager K. D. Hartin of Petit Jean Electric Cooperative says, "As I look at it, long range planning is more than helpful. It's a necessity. The government loaned us money to build our lines and it's up to us to pay it back within 35 years.

"Since we are operating on a non-profit basis and have no big margin of profits to fall back on, we must take a long look ahead and coordinate our operations so that we will be able to meet our obligations."

During power-use discussions, Hartin and the other managers exchanged ideas on what types of equipment would be most useful to their members. As he expressed it,

"We mustn't forget that in a co-op we not only serve the members. We are the members. In building power load, we must look for ways to use power which will mean the maximum benefit to the individual consumer and the system."

All over the state of Arkansas, electric co-ops are finding different applications for their long-range budget planning.

But individually and through their state-wide organization, they are following through on the good work started at their long-range planning meeting last fall.

As Harry Oswald, Executive Manager of the Arkansas Electric Cooperative, phrased it;

"Arkansas co-ops are putting into action the old proverb: *Experience is*

the best teacher. We think we've profited quite a bit already from the meetings. As individual co-ops continue to learn from their own past and from the record of other co-ops and use this knowledge to plan ahead, we feel that we will continue to improve our operations and management practices."



Pioneer

Mr. Hunter

Out in Dove Creek, Colorado's blue sage country, Dan Hunter has his own ideas of what's ahead for the rural electric program he helped pioneer.

Says Mr. Hunter, who at 80 mixes homespun philosophy and a deep-rooted faith in his fellow man with a refreshing zest for living:

"REA will continue to grow and expand until a light pole rears its head and casts a shadow in the backyard of every farm house in America. Our farmers have long since learned that REA electricity is an asset and pays its own way."

Mr. Hunter, a transplanted Texan who homesteaded in the Dove Creek section some 36 years ago, has retired from farming and now operates the Hunter Hotel. He has at various times been a druggist, school teacher, newspaper publisher and mayor of Dove Creek.

One of Mr. Hunter's first steps in rural power was in 1939 when he helped form the Empire Electric Cooperative in the Dove Creek section. The young co-op started off with 87

miles of line and 187 users. Today Empire Electric, of which Mr. Hunter is secretary, has 632 miles of line and 3,638 meters.

Mr. Hunter took another big stride in 1939 when, along with other rural power leaders, he laid the groundwork for organizing the Colorado State Association of Cooperatives with 21 member co-ops. Today he serves as executive committeeman of the state group.

Mr. Hunter has also been a moving force for water conservation in Colorado and serves as chairman of all water conservancy boards in the state. Currently he is chairman of Colorado's Bureau of Reclamation Association, president of the Southwest Water Conservancy District and a committeeman of the Western Colorado Water Association.

In Colorado, Mr. Hunter is the symbol of a generation of volunteer workers that have brought better times for rural people.

Reflecting on his busy life, Mr. Hunter puts things this way: "My activities should be enough to hold any man down who has passed the four score year mark."

THE LINEMAN



Co-ops Join Ground Observer Corps

Many rural electric systems are plane spotting for the Ground Observer Corps, since their facilities are



well adapted to this kind of civilian defense work.

Here Lineman Joe Rozum of Nodak Electric Cooperative, Grand Forks, N. Dak., spots 3 jets while grounding out a 3-phase line. Foreman Bill Homolka on the ground will report the spot by 2-way radio to the Air Force filter center in Grand Forks. Manager James F. Coleman says, "We have 14 trucks and cars equipped with 2-way radio and there's a good chance of our men spotting planes anywhere within our co-op boundaries."

Good Work Deserves Praise

Fred Rose, Chairman of the Kentucky Safety and Job Training Committee, Louisville, Ky., believes in giving recognition for meritorious service. As soon as he hears about

a special service performed by a lineman on any crew in the state, he writes a letter of commendation.

When John Fitzwater, Clark County Rural Electric Co-op, Winchester, Ky., administered pole-top resuscitation to James Hampton after the latter had come in contact with a hot wire, Mr. Rose not only wrote a letter to Mr. Fitzwater, but also recommended him to proper authorities for the life saving and other awards.

This kind of encouragement ought to make all Kentucky linemen more safety conscious.

Safety Leaflets Available

The National Safety Council recently has published 2 leaflets, "Watch Out for Wires" and "Crane Contacts Kill!" Both are brightened by lively cartoons, and packed with helpful, life-saving advice. Copies are available from the National Safety Council. Write the Council at 425 North Michigan Ave., Chicago 11, Ill., for prices.



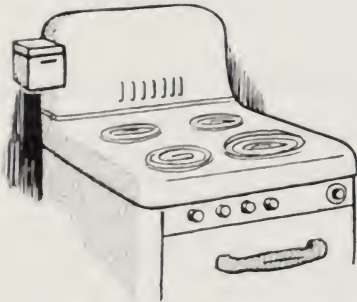
The **Illinois Farm Electrification Council** whose 4-H programs are sponsored by 25 rural electric cooperatives and seven electric companies will award 100 4-H club jackets to boys and girls who do outstanding work in their 4-H electric projects.

"The 4-H Electric Program" is the title of a slide film produced by the Westinghouse Electric Corporation.

Using the cartoon style, the 24-frame slide film explains what 4-H Club members can do in the Westinghouse Electric Program and how the Electric Program work can be related to other 4-H projects and activities.

Prints are available for \$1 a set from the Westinghouse Farm Youth Activities, Information Services Department, P. O. Box 2278, Pittsburgh 30, Pa.

Head of the Lakes Electric Cooperative, Superior, Wis., cooperates with local groups to bring tourist trade to nearby Totogatic Park by installing coin operated electric meters so that vacationers can use electricity for cooking, lighting and heating.



The Agricultural Extension Service, **Ohio State University**, Columbus, has just published a leaflet, "Co-op Electric Service on Ohio Farms." The foreword to the leaflet says, "In August, 1935, Extension Service Bulletin No. 165, 'Electric Service for Ohio Farms—Now Available Through the REA,' was pub-

POWER EXCHANGE



lished. The purpose of that bulletin was to answer the questions being asked about the Rural Electrification Administration program, policies and procedures.

"Now, 19 years after the creation of REA, questions are being asked about its operation and accomplishments. This bulletin answers the questions most frequently asked."

Iowa State College, Ames, Iowa, has installed demand meters on 36 Iowa farms. Weekly readings are made and at the end of a year, results will be tabulated to help rural utilities and manufacturers in determining future electric loads on the farm.

C. and L. Rural Electric Cooperative, Star City, Ark., offers small monthly awards for members in a "pick the right answer" contest. A recent question was, "You can cool electrically for approximately how much a month?"

The Biggest Challenge

Everett S. Hoy, manager, **Butler Rural Electric Cooperative**, Hamilton, Ohio, writes in his newsletter column to members:

"When we asked you members, 'What's the biggest challenge electric co-ops face today?' we expected many different answers, and we received

R USE ANGE



many different answers. To those members who took the time to answer the question, we thank you. It will help us in our future thinking and planning. Your answers indicated that you know what you expect from your rural electric co-op, and also what its problems are.

"Twenty-one percent of you said our biggest challenge was to provide good electric service at lowest possible cost and at the same time have adequate facilities to keep the supply of power ahead of the demand for power made by our members.

"Ten percent said holding the line on rates and cost of power to our members is our biggest challenge.

"Eight percent felt the growing expenses and increased costs presented a challenge."



"This job is gonna take a little longer than we expected, Boss. We tracked up a kitchen."

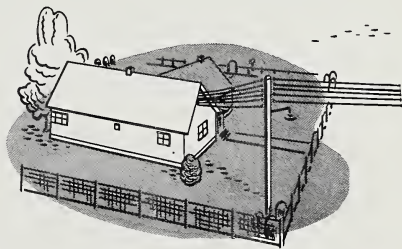
—From the Wisconsin REA News

T. R. Cole, president of **Pemi-scot-Dunklin Electric Cooperative**, Hayti, Mo., "I think that you will soon see electricity used in such an abundance for sprinkler irrigation here that rainbows will be seen in every direction on a hot, clear summer day."

Signs of the Times

From the News Bulletin of the **Blue Ridge Electric Membership Corp.**, with headquarters at Lenoir, N. C.: "Beginning August 1, 1954, all homes or business establishments requesting electric service must be wired for a 3-wire service with a fuse or multi-breaker entrance panel of at least 60 ampere capacity. . . . Past history has proven that had this policy been in effect it would have saved your electric Cooperative thousands of dollars and our members would also have realized large savings.

"At the present time we find an average of 35 members each month having their wiring changed from 2-wire to 3-wire. A 3-wire service in the



beginning would cost but little more and would be far less expensive than going back later to make the change.

"Your Board feels this policy is one that will benefit our members of the future as well as to help reduce cost in our construction program. No doubt every member that finds he now must change from a 2-wire service to a 3-wire service will wish this policy had been in effect when his home was wired for electric service."

Back to the Halls of Ivy

Indiana Leaders Endorse Annual Management Clinic



In Indiana, managers of rural electric systems are going into their fourth year of studying management principles and how to put them into effect. The program, adopted in 1950, is sponsored by the Indiana Statewide Association, and is carried out in co-operation with the University of Indiana and Purdue University.

The basic idea in this approach is that rural electric management has all the problems common to all other enterprises plus some which are uniquely those of a rural electric co-operative.

Three techniques are used. First, there is a series of conference meetings of managers and directors on a regional basis throughout the state. Qualified experts in various fields are featured speakers. Second, there's the Hoosier Cooperative Clinic at Purdue for all types of cooperatives operating in Indiana. Third there is the University of Indiana Executive Development Program.

To a considerable extent, the three techniques complement and supplement each other. The University of Indiana operation, however, represents a specialized approach which has now been tested long enough to allow for an evaluation of the contribution it has made to rural electric management.

The University of Indiana program is a highly concentrated one aimed at top management of all enterprises in the state. A statement concerning the program reads: "Modern business competition requires that executives meet higher standards of performance and accept heavier responsibilities than was the case a generation ago. The Indiana Executive Development Program is designed to help executives meet these high standards and responsibilities of modern life. It is not to be considered a substitute for training or experience provided by individual companies or by trade associations for the development of specialized professional abilities."

Guide Lines Set Up

These guide lines are followed in putting together a 3-day session for rural electric management. Two sessions are held each year at the University of Indiana and are directed by University personnel.

The first sessions 4 years ago were on a trial-and-error basis. University personnel discovered that it was necessary to hand-tailor their presentations to the special interests of rural electric systems, and co-op management discovered that use of the basic principles of management could help them do a better job.

The University's executive development staff found themselves in need of more background. They visited rural electric systems and got first hand information concerning the wide variety of activities required of an operating manager. Co-op management, for its part, no longer expects training in specific technical matters but now wants and gets help on how to develop a management philosophy and how to do top management thinking.

The program of a recent Rural Electric Management Development Conference held at Bloomington shows how the conference has shaped itself to meet specific needs. Here is the program: (1) A Restatement of Management Fundamentals; (2) Human Relations Problem Clinic; (3) Insurance and Retirement Planning; (4) Speech Workshop; (5) Case Problems in Cooperative Management. Demonstrations and group discussions are used throughout all the meetings.

Speech Clinic Helpful

The speech workshop and clinic is an example of how needs are spotted and met. It was noticed in group discussions that some managers had difficulty in making their points clear. Some were too shy before a group while others had speech habits which made them difficult to understand. It was pointed out that one of the prime requisites of a good executive is that he be able to communicate his ideas clearly and with conviction.

The human relations clinic and group discussion is an example of how the executive development course has altered attitudes and thinking. Managers who once felt that the most important thing in life was to understand the inner workings of a meter are now convinced that it is much

more important to understand the mental and emotional attitudes of employees.

The objective of the human relations clinic, as announced, was: "To focus attention on the art of successful living." It was pointed out that the manager: "Is responsible for developing effective human relationships in his organization; (2) must solve both operational and organizational problems; (3) must create means whereby average people will do superior work; (4) cannot lead people unless he understands their wants, likes and dislikes; and (5) must keep in mind that a business grows as its people grow.

Managing People Is Stressed

More and more, the executive development conference is stressing the importance of managing people. This has led to workshop for the corrective interview. The manager is advised how to prepare for such an interview; offered 10 suggested phrases which will start the talk on a friendly, non-irritating basis, advised how to get the employee's reaction; how to consider appropriate action; how to state a plan of action and how to follow it up.

These are but a few examples of the wide range of top level management help available to rural electric executives.

The Indiana Statewide incorporates the University sessions in its program, which is, however, more all embracing. Training meetings are held regularly for line foremen, bookkeepers, work order clerks, meter testers, office managers and other specialized personnel.

Summing up the advances which have been made in the 4-year management and personnel training courses in the state, David Mueller, manager of the Indiana Statewide says, "We

feel that significant contributions have been made to management thinking, management skills and management outlook. We would be happy to have rural electric leaders from other states

visit or participate in our executive development meetings if they are interested in developing like sessions through their own colleges and universities."

Cross-Country Cooperation Pays

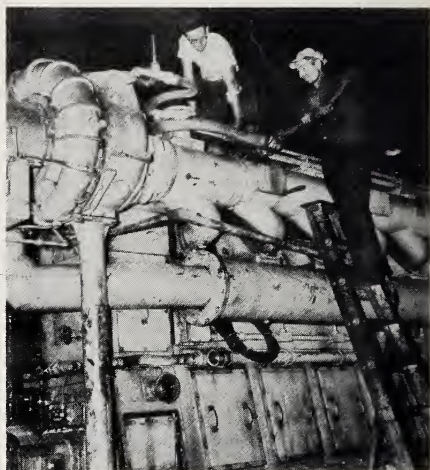
Michigan System Buys Diesel Units From Virginia Borrower

Prince William Electric Cooperative of Manassas, Va., and Cloverland Electric Cooperative of Sault Sainte Marie, Mich., have found it pays to work together.

For the 2 co-ops, it's a case of going in and going out of power generating. Cloverland, which purchased three 1000-kw Diesel generating units from Prince William to provide more power during load peaks, is changing over to G & T status for the first time. Prince William used to generate a good share of its power, now figures to make a sizable yearly saving by buying all of its electricity from Virginia Electric and Power Co.

Roy Wells, Cloverland manager, says things had reached the point where the co-op's consumers were using more power than its power supplier could provide. The additional generated power will enable Cloverland to meet peaking requirements through 1958. And the new power won't be coming too soon with electric consumption increasing as it is.

Cloverland has been busy extending electric service to Luce, Mackinac and Chippewa counties. Some 150 miles of new distribution line is in, benefiting 700 users while another 90 miles of line serving 500 consumers is under construction. Bids were opened in August for 58 miles of 69-kv transmission line.



Workers dismantle Diesel units at Manassas, Va.

Prince William's manager, Reuben Hicks, points out that the decision to buy all electricity was made only after careful study of the co-op area and its fast-growing population. Under the new arrangement, the co-op gets adequate supplies of power to meet its growing needs.

Twelve years ago members used 2 million kwh. Today consumption is close to 18 million. In the same period the number of connected consumers increased from 674 to 4600. A cheering note, too, is the borrower's yearly payroll of approximately \$160,000, an important economic contribution for the Manassas community.

Electric Program Is Outlined

Writes a co-op manager: "I've been out of the REA program since the late '40's. Could you straighten me out on how you are now organized and how relations with borrowers are carried on?"

Good question, Mr. Manager. There have been some changes since that time, and other managers and directors may be in the same boat.

In the first place, the entire electric program is administered under the direction of the Assistant Administrator, Electric. Assisting him in the over-all job are two regional chiefs, one for the Northern Region and the other for the Southern Region.

The operating unit of principal concern to borrowers is the Area Office. There are five of these—Northeast, Southeast, North Central, Western and Southwest. Initially formed to work with distribution borrowers, the Area Offices are now responsible for relations with all electric borrowers.

At the helm of each Area Office is the Area Director. For operations and loans purposes, the area is further subdivided on a geographical basis into two sections (corresponding to REA's pre-1952 regions). The Area Office also includes an engineering section and an accounting section, each serving the entire area.

REA has no field offices. Each area has a staff of field representatives who live in their territories and work directly with borrowers on assignment from their Washington supervisors. At this time the field staff consists of some 44 operations field representatives, 38 field engineers, 16 field accountants and 4 power-use specialists.

Each OFR and each field engineer is responsible for working with a specific group of borrowers. The field

accountants and power use specialists work on an assignment basis. The amount of time any field representative can spend with an individual borrower is limited.

The first responsibility of the field people is to work with borrowers whose operations indicate actual or potential financial difficulties. They may also work with other borrowers as assigned on problems requiring specialized skills.

The OFR is primarily a specialist in the management field. He is qualified, for example, to review with a board of directors a borrower's over-all plan of operation and also to work with a manager on a specific management problem. He also provides guidance to borrowers on the preparation of loan applications, where necessary.

The field engineer is, of course, a specialist in rural system design, construction and technical operations. One of his chief jobs is to make a periodic review of each borrower's program for the maintenance of its physical plant, which is essential to loan security and to continued good service to members.

REA no longer performs audits of electric borrowers' accounts. One job of the field accountants is to analyze various costs, revenues and operating expenses as a basis for REA studies of borrowers' financial progress.

REA field personnel are instructed to visit borrowers on a scheduled basis. They travel on itineraries planned in advance to perform specific jobs. If borrower management wishes to confer with a fieldman, a call may be made either directly to the fieldman or to the appropriate section of the Area Office. If a field visit is required, this can be scheduled on the fieldman's itinerary.



Why CPA's?

If you were a banker with loans outstanding running into the millions of dollars to individual borrowers, you would certainly want to do everything possible to safeguard those loans.

Aside from the investigation of the applicant and standard requirements on security for the loan, you would also want to know that the borrower's accounts were in order—that the funds were being used for the purpose for which they were loaned. And you would want to know that the auditor checking those books was professionally competent, and completely independent of the borrower.

That is the way it is with REA and its requirement that telephone borrowers engage Certified Public Accountants to make annual audits of their books.

Let's examine these reasons a little more thoroughly. First, it is essential to have qualified persons perform yearly audits. REA long ago adopted minimum standards for audits conforming to the professional standards of the American Institute of Accountants. Performance of Audits by Certified Public Accountants gives REA and Boards of Directors assurance that audits will be performed in accordance with accepted professional standards and by properly qualified, responsible individuals or firms.

Most State legislatures have established definite requirements for certification of accountants. To be "certified", a candidate must (1) fulfill certain training requirements; (2) demonstrate his ability by passing rigorous written tests in accounting theory and practice, auditing, and commercial law; (3) observe professional standards; and, (4) be regulated by various governmental boards administering CPA laws and by professional societies which review practices of their members.

But, you may say, we know non-certified accountants right in our community who are experienced, responsible, and men of respected integrity.

That is true, but the point is that REA, in protecting the Government's interest, must be sure in every case that the auditor is properly qualified.

If non-certified accountants were to audit borrower's books, REA would have to investigate each such accountant. Under present policy, REA may approve CPA's without a detailed investigation since the profession on the whole appears to be adequately regulated. This effects a considerable savings in administrative costs borne by the Government, and at the same time provides the greatest assurance of performance consistent with high standards.

You Can Cut Time

Between Approvals and Advances



REA-approved telephone loan contracts are important milestones for town and country people today. They indicate that telephone organizations have surveyed their telephone needs and learned what has to be done before REA loan funds are advanced.

Loan contracts are agreements between borrowers and the U. S. Government. After REA's Administrator approves a telephone contract there are certain things that have to be done by borrowers before funds can be advanced. Loan requirements are the minimum determined necessary to protect the security of loans and are similar to loan stipulations in force by other lending agencies.

Some borrowers meet all of the terms and conditions of their loan contract promptly while others with more detailed requirements to fulfill, take longer.

Borrowers must obtain all regulatory body approvals required by law. It's possible that the first REA advance of funds might be held up for

quite a spell if a state utilities commission has a tight calendar and can't hear the borrower's case.

Advance of loan funds may be held up for other reasons too. The borrower may have to obtain satisfactory commitments covering such matters as joint use of facilities, switching, toll and operator assistance services; local franchises, and agreements dealing with purchase of facilities owned by other companies. It may also be necessary to clear any defects in title to existing or acquired properties which may have been discovered by the borrower's attorney.

Likewise, loan funds cannot be advanced until the equity requirement has been met. Like other credit institutions REA wants telephone borrowers to have some of their own funds invested in a proposed system. Otherwise the government shoulders all the risk of the business.

When loan requirements are met promptly, REA funds are soon on the way.

Telephone Newsletters Wanted

Do you publish a newsletter? Do you tell your story on inserts with bills to your subscribers?

If so, will you please put RURAL LINES on your mailing list? We would like to run a regular feature in the magazine each month on activities of telephone borrowers, correspond-

ing to the Power Use Exchange in the Electrification Section.

When you make newsworthy accomplishments, we would like to know, and to pass the word along to our other readers specially interested in the telephone program. Good ideas bear more with sharing.

**UNITED STATES
GOVERNMENT PRINTING OFFICE**

DIVISION OF PUBLIC DOCUMENTS

WASHINGTON 25, D. C.

OFFICIAL BUSINESS

**PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)**

**LOANS APPROVED AUGUST 1 THROUGH
AUGUST 26, 1954**

ELECTRIFICATION

	965,000	Yampa Valley Electric Assoc., Steamboat Springs, Colo.
\$ 445,000		
	750,000	Indian Electric Cooperative, Cleveland, Okla.
47,000		
	50,000	Mitchell County Electric Membership Corp., Camilla, Ga.
108,000		
420,000		
191,000		
500,000		
50,000		
50,000		
100,000		
112,000		
1,470,000		

TELEPHONE

\$ 242,000	Alhambra-Grantfork Telephone Co., Alhambra, Ill.
210,000	Chesnee Telephone Co., Chesnee, S. C.
363,000	Harper County Rural Telephone Assoc., Anthony, Kansas
286,000	East Ascension Telephone Co., Gonzales, La.
224,000	Ellijay Telephone Co., Ellijay, Ga.
226,000	Cross Telephone Co., Warner, Okla.
295,000	Farmers Mutual Cooperative Telephone Co. of Shelby County, Harlan, Iowa
407,000	North Central Telephone Co., Clare, Iowa